

Division of Personnel Services

ANNUAL REPORT 1998



State of Kansas
Department of Administration

DIVISION OF PERSONNEL SERVICES

DEPARTMENT OF ADMINISTRATION

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Philosophy

The Division of Personnel Services will provide a human resources management framework which balances the interests of the state as a whole recognizing the diverse and changing needs of its internal and external environment. Within that framework, the division will measure customer satisfaction through surveys to continuously improve services. The division and its employees will fulfill their responsibilities in a manner consistent with quality management principles.

Mission

The Division of Personnel Services establishes policy and provides leadership, guidance, and assistance to support the efficient and effective operation of state agencies through a statewide human resource program. The program will uphold stakeholder interests, use resources wisely, and meet federal and state laws.

Goals

- ~ Provide our customers quality services and effective communication on applicable statutes, regulations, policies and procedures for human resource programs, benefits and employee relations.
- ~ Enable agencies to employ and retain an efficient and productive workforce.
- ~ Address emerging human resource issues which result from changing internal and external environment.

MESSAGE FROM THE DIRECTOR OF PERSONNEL SERVICES

Preparing this annual report gave us a good opportunity to reflect and objectively assess where we were at the beginning of Fiscal Year 1998, how far we have come, and what yet needs to be accomplished. As described in the following report, we succeeded and exceeded, in accomplishing many of our endeavors during the fiscal year.

We received national recognition for several of our programs:

- g** Our efforts to recruit and retain information technology employees received an *Outstanding Innovation Award* from the National Association of State Chief Administrators, formerly the National Association of State Directors of Administration and General Services.
- g** The National Association of Government Deferred Compensation Administrators honored achievements in the financial education program, *Looking Forward Financially*.
- g** *Managing for Success: A Profile of State Government for the 21st Century*, a report published by the Council of State Governments, recognized both our performance review system and our elimination of civil service exams.

In addition to the central services we provide, unanticipated initiatives came our way which forced us to stop, regroup, strategize, and forge ahead. We continued to manage existing programs, develop new ones, and

provide effective service to our customers -- agencies, employees, applicants, and the general public.

With customer service as our focus, we are able to eliminate duplication of effort in agencies by centralizing processes that are common to all agencies, such as listing job vacancies. With the same customer focus, we customize services to meet unique and individual needs.

I am proud to present the *Division of Personnel Services 1998 Annual Report*. During the year, we had to make some tough choices about services, programs, and the way we do business. As we approach Fiscal Year 1999, we continue to look for creative ways to improve and meet new challenges with existing resources.

William B. McGlasson, Director
Division of Personnel Services

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CONSULTATIVE SERVICES AND TECHNICAL ASSISTANCE

Division employees serve as an information resource for agencies, employees, applicants, and the general public within a human resource management framework that weighs the diverse and changing needs of agencies. We consult on statewide human resource programs including classification, position and organization reviews, employee selection and promotion, and EEO administration. We partner with agencies in areas that are agency specific or have statewide implications now or in the future, such as downsizing, privatization, and legislative mandates.

Our consultative role continues to grow and expand.

Agency closures, program (and employee) transfers from one agency to another, new agency start ups, and layoffs are just some of the major challenges and opportunities agencies face as they continue to provide service to Kansas citizens.

It is important for us to focus our attention on the role we have in the overall state human resource function. In some cases, it is more efficient for us to provide those services that are common to all agencies. In other cases, we have found it beneficial to team up with other agencies to accomplish the goal. A good example of team work among agencies was the closing of state hospitals in Topeka and Winfield. The Departments of Social and Rehabilitation Services, Human Resources, and Administration combined resources to assist employees during and after the time during which the hospitals were closed. Individual employees were provided help with reemployment efforts, and other assistance associated with closing the institutions.

g Delegated Authorities Program g

Transferring decision-making authority to agencies enhances workforce management. Agencies now have the delegated authority to manage many of their day-to-day operations related to recruiting, hiring, and paying employees. Agencies now make decisions formerly made by central staff.

Increasing agencies= authority expands our consulting role in providing guidance and training to agencies. However, it also requires custom services for agencies based on their size and need. While continuing to provide core services, staff is assessing which services to customize based on the need, staffing, and structure of individual large, medium, and small agencies.

g Employment Information g

Our consultative services extend to applicants interested in state employment. The recruitment program focuses on attracting skilled and qualified applicants and includes participation at job and recruitment events statewide. Individual counseling services help applicants determine their career goals as they apply for public service. When requested, we also advise agencies in their recruiting methods.

We advertise job vacancies in all agencies

Each week we publish a central list of job vacancies for all agencies. By providing a central service, we perform a function that is common to all agencies. To reach a large audience of potential applicants, we announce vacancies in various mediums:

\$ Employment Opportunities System, new in October of 1997, allows easy access to job vacancy announcements statewide via a database program. We can supply vacancy lists to agencies via e-mail, electronic bulletin board, Internet, and disk. Twenty agencies now use the new system.

\$ Agency human resource offices

\$ Department of Human Resources= Job Service Centers throughout the state

\$ Jobline telephone recording

\$ Electronic bulletin board for personal computers with a modem

\$ Internet at:
www.state.ks.us/public/da/public.html

Applicants can also download the Employment Summary form to apply for state jobs.

\$ Electronic circulation to applicants at Job Service Centers across the United States via the Department of Human Resources.

\$ Civil Service Employment Information office, a walk-in facility.

g EEO Statistical Analysis g

Last fiscal year we established a quarterly statistical process that centrally handles EEO/AA statistical analysis for all agencies. We continued the central service due to positive feedback from agencies. We also developed a Job Class analysis which provides information relative to the Ethnic and Gender mix of the workforce in each job class within an agency.

g Internet g

We joined an agency-wide team to create an agency level website. With a special focus on customer service, the website is designed with a functional perspective rather than the agency organizational structure. The website provides links to general information about the division, employment in Kansas state government, regulations concerning human resource management, and Kansas Quality Management.

Visit us at the Department of Administration website:

www.state.ks.us/public/da/public.html

INITIATIVES FOR A PRODUCTIVE WORKFORCE

g **Comprehensive Management Education and Training Strategy (CMETS)** g

In 1993, the Department of Administration partnered with the University of Kansas Capitol Center to plan and develop CMETS.

This long range plan was adopted to ensure that employees are educated on the quality management philosophy; that our systems (such as new employee orientation, basic supervisory training, supervisory continuing education, professional conferences, and performance reviews) continuously reinforce the fundamental principles and practices of quality management, and that employees receive training to update their skills and learn new ones. CMETS is woven into the fabric of professional and personal development opportunities for employees.

g **Human Resource Development** g

Our goal in human resource development is to enhance employee performance by providing innovative learning opportunities. Trainers offer a wide range of personal and professional growth opportunities in topics such as Basic Supervision, Kansas Quality Management, and advanced skills in human resource management. Courses in technical and basic skills are also available. Training in computers and software teaches new skills or increases knowledge with courses in word processing, database management, and spreadsheets.

Executive Development and *The Kansas Government Trainers= Network* were two important initiatives in human resource development during Fiscal Year 1998. *Executive Development* brings together

managers within an agency to encourage process improvement through leadership skill building and problem solving. *The Kansas Government Trainers= Network* offers quarterly meetings for trainers from across the state to share skills and resources.

g **Professional Conferences** g

Each year we sponsor two professional conferences. In the Fall, the Personnel Issues Conference focuses on employment issues and is primarily aimed toward human resource professionals.

This year, nearly 275 people attended the Personnel Issues Conference. Session topics included privacy issues related to personnel files, reference checking, and misuse of e-mail and Internet; emerging issues under the Americans with Disabilities Act; and supervisory liability.

The second conference, the Professional Conference of Kansas Government, is held each Spring and provides a professional development opportunity to all state employees.

Nearly 400 people attended this year's Professional Conference of Kansas Government. Within three topic categories -- Career Development, Agency Issues, and Health and Safety -- attendees chose from over 40 presentations. Speakers and group activities examined diverse topics such as managing cultural change, aging trends, and quality management.

g **Certified Public Manager (CPM) Program** g

We partnered with the University of Kansas Capitol Center to develop the CPM Program, which is a systematic approach to develop effective public management skills in managers and employees. It is designed to:

- \$ provide a foundation of knowledge and skills in management practices;
- \$ provide an opportunity to grow professionally and personally; and
- \$ foster more effective management practices in state agencies.

Kansas, 1 of 20 states with a CPM program accredited by the National CPM Consortium, held its first class in 1993. The 288 hour course of study includes the following general areas: general administration and organization, technical and quantitative, analytical and conceptual, and human skills.

g **Employee Suggestion Program** g

For more than 10 years, the Employee Suggestion Program has rewarded employees who improve government operations. The program allows monetary awards -- up to 10% of the first year's estimated savings -- to employees whose suggestions are adopted. Employees= supervisors are also awarded an amount equal to 10% of that paid to their employees. Some employees receive a Certificate of Merit for suggestions in lieu of a cash award.

The first year estimated savings from suggestions adopted since the program's inception is well over \$10 million. In Fiscal Year 1998, 21 employees received cash

awards totaling \$10,779. These awards were for suggestions with an estimated first year savings of \$239,897.

g **Service Awards** g

Employees who complete 10, 20, 30, and 40 years of service receive service award pins to recognize their years of public service. The awards are presented to employees by their agencies. The Governor holds a special recognition ceremony for employees who have reached 40 years of service.

g **State Civil Service Board** g

The State Civil Service Board is a five member body of citizens who represent each of the four congressional districts of the State, with one member selected at large. All members are appointed by the Governor and confirmed by the Senate. The board hears appeals from classified state employees with permanent status under the Kansas Civil Service Act and applicants for classified positions who are entitled by law and regulation to appeal to the board.

RESPONSIVE HUMAN RESOURCE PROGRAMS AND PROCEDURES

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Human Resource Information System

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Fiscal Year 1997 was the first full year of operation for Kansas' new automated personnel and payroll system. The Statewide Human Resource and Payroll (SHARP) system allowed us to incorporate innovative technology into the way we do business. Regular system upgrades will allow us to continue to improve and keep abreast of technological developments.

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Employee Selection

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For 50 years, applicants for classified positions in Kansas state government were selected for interviews based on their performance on a written exam. However, less than one-third of all classified vacancies were being filled through the examination process. We replaced that process with a computerized system that chooses interviewees based on their skill levels.

In this system, applicants self-report their skills by indicating their level of proficiency based on education and experience. Applicants are placed in an applicant pool for a vacant position based on the match of their skills to those needed for the position.

We are redesigning the recruitment process to develop a qualitative measurement of applicants' knowledge, skills, abilities, and attributes and to further simplify the application process



Kansas Quality Management (KQM) is a management philosophy that focuses on employee involvement, continuous improvement, and customer satisfaction.

The KQM Administrative and Training Office serves as the administrative and training arm of the statewide quality initiative.

Over 400 state employees gathered in Topeka at the 3rd annual KQM Governor's Recognition Reception during Quality Month.

Twenty KQM teams who completed projects that saved the state money or improved services were recognized by the Governor.

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Temporary Services Program

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The Temporary Services Program enables agencies to obtain Just-in-time staffing from temporary companies who are able to supply staff on very short notice, usually the next day, to complement a smaller number of permanent state employees. Agency managers can operate with a leaner staff, adding temporary workers quickly when the need arises.

A pilot project which expired in October, 1997, was limited in scope and design. The success of the pilot project led to the development of a new contract that expanded both geographic area and services.

g **Alcohol and Drug Screening** g

Alcohol and drug screening services are provided to agencies through the Drug Screening Program and the Alcohol and Controlled Substance Testing Program for Commercial Drivers. These programs are components of the state's comprehensive Drug-Free Workplace Program established as an on-going campaign against alcohol and drug abuse. Both programs have an important rehabilitation component which is accomplished through required referrals to LIFELINE, the state's Employee Assistance Program.

FLEXIBLE AND COST EFFECTIVE TOTAL COMPENSATION

g IT Premium Pay g

Over the last several years, recruiting and retaining highly trained Information Technology (IT) employees has reached a critical stage nationwide. The impending Year 2000 problems and frequent computer technology upgrades cause an anomaly in human resource management, placing organizations in direct competition for employees who possess technical skills.

We're competing for information technology employees

Working with agencies, IT Premium Pay emerged as one strategy in an ongoing effort to address employment issues in the IT job field. IT Premium Pay is designed to help agencies recruit IT personnel from outside state government and retain IT employees within their agencies.

In October, 1997, Governor Bill Graves signed Executive Directive No. 97-264 authorizing bonus pay for select classes of IT and public service executives who possess mission critical and market sensitive skills. The purpose is to retain key technology workers in a time of extreme labor market shortage.

Briefly, the bonuses are:

- \$ Signing Bonus for prospective employees who possess certain skills.
- \$ Recruitment Bonus for existing state employees who recruit IT employees from outside state employment.
- \$ Mission Critical Skills Bonus for IT employees whose skills are needed in a mission critical area in an agency.

\$ Skills Acquisition Bonus for IT employees who acquire designated key skills and demonstrate successful application of skills on the job.

\$ Mission Critical Project Bonus for IT employees assigned to specified, pre-approved projects and employed at the time of successful project completion.

g Long Term Care Insurance g

Long term care insurance, a new employee benefit, was introduced to employees during Fiscal Year 1998. This insurance is underwritten by the Hartford Life Insurance Company. Long term care insurance is designed to provide a choice of benefits for state employees, retirees and their extended families.

g Deferred Compensation g

Deferred compensation is a voluntary defined contribution retirement plan established by the state to allow employees a means to supplement their retirement income.

g Cafeteria Benefit Plan g

The state's cafeteria benefit plan, KanElect, is an Internal Revenue Code Section 125 qualified plan.

KanElect offers three options:

- \$ Pretax Premium Option - allows employees to pay for the cost of group health insurance coverage with pretax or after-tax dollars
- \$ Health Care Flexible Spending Account - allows employees to use pretax money to pay for expenses allowed by the IRS but not reimbursed by health insurance

\$ Dependent Care Flexible Spending Account - allows employees to use pretax money to pay for work-related dependent care expenses

g **Group Health Insurance** g

Ten medical plans were offered to state employees for the 1998 plan year. Depending on county of residence, employees selected from six Health Maintenance Organizations, two Point of Service plans, one Fee-for-Service Plan, and one Preferred Provider Organization. All state employees participating in the Group Health Insurance Program also enrolled in a group dental plan and a prescription drug plan.

The state also allows retirees and others identified in statute and regulation to participate in the direct bill portion of the state's health care plan. COBRA, the federally mandated continuation provision, is administered in the division.

g **HealthQuest** g

HealthQuest, the State of Kansas employee health promotion program, is designed to enhance employee health and assist in containing health care costs. We jointly administer the program with the Kansas State Employees Health Care Commission. A network of 160 HealthQuest coordinators provides health promotion support at the agency level. Current programs and services for employees and family members include self-care resources, a health risk appraisal program, educational services, exercise equipment at 130 work sites, and an employee assistance program.

g **State Self Insurance Fund** g

Worker Compensation services for state employees injured on the job are self-funded and self-administered under the State Self-Insurance Fund.

Reported injuries are promptly investigated to determine compensability of medical and disability benefits. Staff provides education information to injured employees and responds to claimant and agency questions. They encourage successful return to work efforts involving claimants, agencies, and medical care providers. They also investigate allegations of fraud, waste and abuse. Fund liability has dropped from over \$50,000,000 two years ago to approximately \$25,000,000.

Approximately 2,500 disability and medical voucher payments are made monthly. An initiative creating electronic payments and data base updates through two computer systems streamlined the process. The new process by eliminating paper copies, reducing processing time from almost 15 days to 2-3 days, and saving approximately \$1,500 monthly.

g **Subrogation Recovery Program** g

The purpose of the Subrogation Recovery Program is to recoup worker compensation benefits paid that resulted from a negligent third party action. In its first two years of operation, the program recovered \$425,027, which was returned to the State Self Insurance Fund.

WHAT'S AHEAD

Our goals for the State of Kansas= human resource program are:

- \$ Provide our customers quality services and effective communication on applicable statutes, regulations, policies and procedures for human resource programs, benefits and employee relations.
- \$ Enable agencies to employ and retain an efficient and productive workforce.
- \$ Address emerging human resource issues which result from changing internal and external environments.

Several of our current initiatives relate to our coordination of issues and future directions in human resource management. For example, the Delegated Authorities Program described in this report moves our role of administering regulations, policies, and procedures to partnering with agencies to develop strategies that best meet their needs.

g Training g

Our shifting role impacts training needs as agencies assume more authority. Our employee training program will expand with computer-based training, distance learning courses, and technical training. Three initiatives under development are:

- \$ *Employee Leadership*, a companion program to the Executive Development Program, will strengthen the problem solving abilities of employees within an agency to further cultural change.

- \$ The *Human Resource Training Academy* will enhance the skills of employees who perform human resource functions. Managers of agency human resource functions and central staff will be among the members of the pilot program.

- \$ An advanced program for supervisors will be designed and developed for implementation in the Spring of 1999.

g Technology g

Technological advances allow us to continuously improve our services. For example, the software upgrade to our human resource information system (SHARP) will be implemented in the Fall of 1998. Computer-based training for changes in the upgrade will be developed to allow employee learning at the work site. We are already preparing for future upgrades, building on lessons learned during the current upgrade.

We will continue to explore innovations in human resource related to technology, focusing on payoffs in process integration, service levels, and costs. We plan to introduce employee self-service by automating processes to let employees handle functions themselves, such as benefits enrollment and access to personalized human resource information.

g Internet Website g

Our State of Kansas Notice of Vacancies on the Internet is accessed over 25,000 times each month. To improve website features, we are creating a searchable version of the vacancy listing. Other plans for our website include revised job classification

specifications in Adobe Acrobat format, the ability to submit employment applications online, and links to the websites of health care providers for state employees.

g Integrating Competencies g

We are integrating competencies into various facets of human resource management. In the Fall of 1998, we will introduce the first human resource function to integrate competencies with a new employment registration process. The process will focus on the quality of applicants= experience and how well they match specific vacancies.

Seven employment registration forms will replace the current 21 skills inventory booklets. The employment registration forms will be in the following fields:

- \$ Administrative Support
- \$ Administrative/Managerial
- \$ Protective Services
- \$ Natural Science/Engineering
- \$ Health/Museum/Social Science
- \$ Trades, Crafts and Arts
- \$ Information Resource Management

Communication plays an important role in successfully implementing the new employment registration process. We will train managers in:

- \$ using competencies support in the Statewide Human Resource and Payroll system,
- \$ applying qualitative measurements,
- \$ identifying skills needed for a position, and
- \$ effective interviewing.

Our communication strategy also includes informational meetings with agencies= human resource staff, state employees, and applicants.

We plan to integrate competencies into other human resource areas such as:

- \$ performance management,
- \$ workforce development, and
- \$ compensation.